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MOL/"K" LINE SPACE CHARTER AND SAILING AGREEMENT

FMC No. 012092

Expiration Date: Not applicable



 **ORIGINAL**

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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this agreement is the MOL/"K" Line Space Charter and Sailing Agreement (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit the Parties as defined in Article 3 to cross charter space on vessels and to utilize other related equipment in connection with the carriage of cargo on terms and conditions agreed to by the Parties in the trade within the geographic scope set forth in Article 4.

ARTICLE 3: PARTIES TO THE AGREEMENT

This Agreement is made by and between the following parties ("Party(ies)"):

MITSUI O.S.K. LINES, LTD. ("MOL")
1-1, Toranomon 2-chome, Minato-ku
Tokyo, 105-8688 Japan

KAWASAKI KISEN KAISHA, LTD. ("K" Line)
2-9, Nishi-Shinbashi 1-chome, Minato-ku
Tokyo, 105-8421 Japan

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement shall cover the following geographic area, including all inland and coastal points, subject to the limitations on joint activities set forth in Article 5. This geographic scope is hereinafter referred to as the "Trade".

This Agreement shall cover the operation of vessels and the carriage of cargo via direct service or transshipment between ports in the Trade and intermodal service to/from all inland points via such ports: All ports and points in Japan, the People's Republic of China (including Hong Kong), Taiwan and the Pacific Coast of the United States of America.

ARTICLE 5: OVERVIEW OF AGREEMENT AUTHORITY

5.1. The Parties are authorized to charter space in the Trade up to the full reach of a vessel, on vessels owned, chartered, or managed by either Party, or space available to the Parties under agreements with other carriers, on such terms and conditions as the Parties may agree from time to time. A Party will take slots in a service in proportion to the capacity it provides in that service, unless otherwise agreed by the Parties. A Party is authorized to transfer to another vessel operating common carrier slots that the transferring Party controls, so long as such transfer is authorized under the Shipping Act of 1984, as amended ("Shipping Act"). To facilitate efficient operations under this Agreement, the Parties may discuss and agree upon their space requirements and the availability of such space in vessels owned, chartered, or managed by the Parties, as well as arrangements for chartering or managing vessels, coordination of sailings and port calls, the place and timing of the provision of space; procedures for booking space, for documentation, for special cargo handling instructions or requirements; all matters relating to the transshipment of cargo moving under this Agreement on vessels provided by the Parties or by other carriers; other administrative matters relating to chartering and transportation provided under this Agreement; and the terms and conditions for the use or interchange of equipment useful in the carriage of cargo in the Trade. Joint service is not authorized. Initially, the parties will deploy (a) three vessels from MOL and two vessels from "K" Line each with an approximate loadable capacity of between 3200 to 3900 teu in a service (now known as JAS) between Japan and the United States Pacific Coast and (b) one vessel from MOL and five vessels from "K" Line each with an approximate loadable capacity of between 4800 to 5500 teu in a service (now known as K-PNW) between Japan, China, Taiwan and the United States Pacific Coast. The Parties may modify their total deployment to between five and fifteen vessels and the teu capacities of these vessels by up to fifty percent without amendment of this Agreement.

5.2. Compensation for any space chartered pursuant to this Agreement shall be upon such terms and at such hire (expressed either as a fixed sum or as a percentage of freight) as the Parties may from time to time agree. Billing and payment terms and conditions shall also be as agreed between the Parties from time to time.

5.3. The Parties are authorized to discuss and agree upon arrangements for the use of terminals in connection with the chartering of space hereunder, including entering into exclusive, preferential, or cooperative working arrangements with marine terminal operators and any person relating to marine terminal, stevedoring or other shoreside services. Nothing herein, however, shall authorize the Parties jointly to operate a marine terminal in the United States.

5.4. The Parties are authorized to exchange information on any matter within the scope of this Agreement and to reach agreement on any and all administrative and operational functions related hereto including, but not limited to, forecasting, terminal

operations, stowage planning, insurance, liability, cargo claims, indemnities, the terms of their respective bills of lading, failure to perform and force majeure.

5.5. The Parties are authorized to enter into agreements concerning routine operational or administrative matters to implement the foregoing. Any further agreement which does not concern operational or administrative matters cannot go into effect unless filed and effective under the Shipping Act.

5.6. A Party may discuss and agree on operational matters of common interest with any party to the COSCON/KL/YMUK Hanjin Worldwide Slot Allocation and Sailing Agreement (FMC No. 011794), the MOL/APL/HMM Asia/USWC Slot Charter Agreement (FMC No. 012043) or the MOL/ELJSA Slot Exchange Agreement (FMC No. 012042), if such party is using a slot provided by such Party under this Agreement.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATIONS OF AUTHORITY

The following shall have the authority to file this Agreement and any modification hereto and to delegate same:

- (a) any authorized officer or official of each Party;
- (b) legal counsel for each Party.

ARTICLE 7: MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

Any Party may resign upon not less than ninety days' advance written notice to the other Party.

ARTICLE 8: VOTING

Not applicable.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall take effect on the date it becomes effective under the Shipping Act and shall remain in effect for a minimum period of one year and continue thereafter until terminated under Article 7 or by mutual agreement of the Parties at any time. The foregoing is without prejudice to any Party's remedies for breach of this Agreement.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of this 5th day of March, 2010.

NETSUI O.S.K.. LINES, LTD.

KAWASAKI KISEN KAISHA, LTD.

By: Robert B. Yoshitomi
Name: Robert B. Yoshitomi
Title: Legal Counsel

By: Robert B. Yoshitomi
Name: Robert B. Yoshitomi
Title: Delegate of Legal Counsel